

# The American Observer

*A free, virtuous, and enlightened people must know well the great principles and causes on which their happiness depends.—James Monroe*

VOLUME XIV, NUMBER 39

WASHINGTON, D. C.

JULY 2, 1945

## India Considers New British Proposals

Plan for Postwar Independence and Further Home Rule Now Discussed at Simla

### PROSPECTS FOR SETTLEMENT BRIGHT

Offer Includes Renewal of Cripps Proposal and Reconstitution of Viceroy's Council

For almost three years, Britain's relations with her biggest overseas possession and sorest imperial problem—India—have stood at an impasse. The deadlock emerging from the failure of the Cripps mission in 1942 has been an embitterment to the Indian people, a drag on the Far Eastern war effort, and, because of these things, a source of concern to the whole Allied world.

Thus, current negotiations between British and Indian leaders command the attention of all the United Nations. If they succeed, the war may be shortened and one of the chief threats of postwar turmoil removed. If they fail, a problem which has long darkened the international horizon will become still more serious.

#### The Cripps Plan

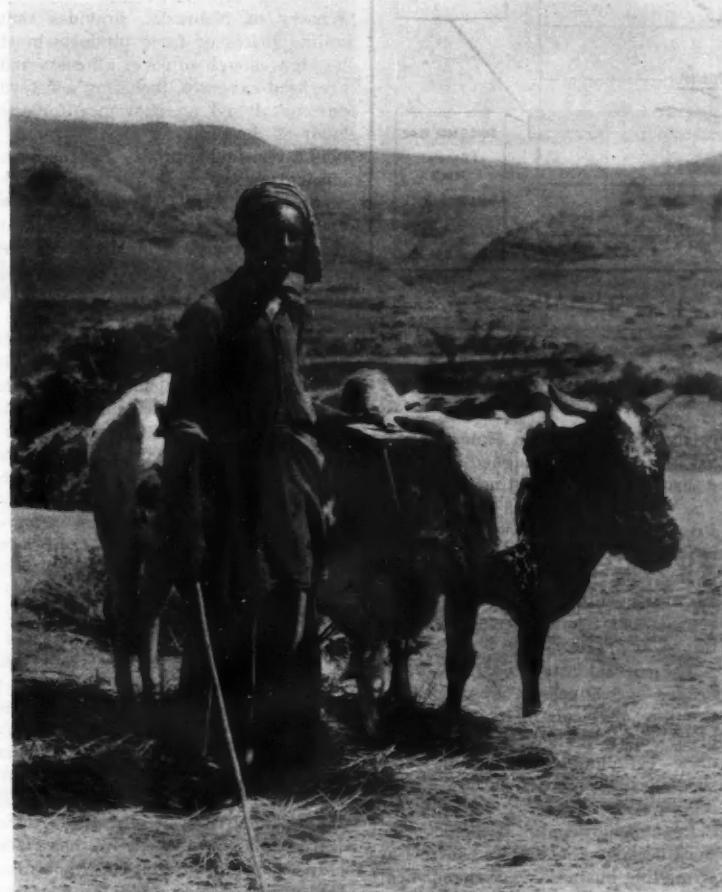
The new offer which has brought British officials and Indian nationalists to the council table at Simla is, first of all, a renewal of the Cripps proposal of 1942. Briefly restated, the offer made to India just after Japan's attack on Pearl Harbor had added a new dimension to the world conflict was a promise that after the war India should be given dominion status within the British Commonwealth of Nations if she would voluntarily contribute her strength to the Allied cause during the war.

The Cripps plan provided that a body of Indians should assemble immediately after hostilities ended to draw up a new constitution for their country. This body would include representatives of the Indian states—ruled by native princes within the framework of British control—as well as representatives of the people of the British provinces. The princes were to nominate representatives of their states in proportion to population, and the lower houses of the provincial legislatures to elect representatives on the same basis.

The British government pledged itself to accept any constitution agreed upon by a majority of this body, provided two guarantees were respected—first, that any province or state not wishing to submit itself to a new arrangement enjoy the right to withdraw and continue on the old basis, and, second, that religious and racial minorities within the Indian population be protected.

All Britain asked in return for this grant of freedom was the right to direct India's war effort under the gov-

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Young man on a farm in India

GENDREAU

## Are You Being Educated?

By Walter E. Myer

Young men and women frequently lean too heavily upon schools and colleges. They assume that an institution of learning will, by some undefined process, transform the human material passing through it. This is a serious error. A school is a passive thing, rather than an active agency. It is a set of opportunities which the student may seize, but the seizing must come from the initiative and will of the student. If the student, like the institution itself, is passive, nothing of consequence happens.

One distinctive mark of a truly educated person is tolerance and broad-mindedness. But it is possible to go through school and college without acquiring it. One may get into the habit of accepting new ideas only when they agree with those he already has. If he does this he will retain all his old prejudices. Furthermore, the old limitations which rendered his opinions narrow and inadequate will remain. This stoppage of development is experienced if one becomes angry and combative when confronted by a set of facts which run counter to the facts or assumed facts with which he is familiar. When one rejects without examination ideas which are disagreeable to him, he is closing his mind to possible growth.

One who is quick to impute unworthy motives to those who advance opinions he does not like is showing the marks of narrowness and ignorance rather than those of the educated man. The man or woman with trained intellect will not throw aside his opinions whenever a new idea is advanced. But neither will he resent the new idea. He will examine it on its merits. He will be adding constantly to his store of facts and opinions, enlarging them, throwing them aside when necessary, or modifying them in the process of assimilating something else. The result is an ever-enriched personality, a tolerant spirit, a widening range of information, a growing competence, loftier altitudes of inspiration.

One can frequently test himself quite effectively to see whether his mental habits tend to promote education and culture. If some one questions the soundness of some cherished conviction of yours, watch for your reaction. Anger and a disposition to question motives are danger signals. A disposition to study the new facts or ideas candidly and honestly may be accepted as an indication that you are acquiring an education.

## Inflation Control Is Debated in Congress

Controversy Rages over Usefulness of Government's Price and Wage Restrictions

### FUTURE OF OPA LEFT UNCERTAIN

Nation Faces Most Serious Inflation Threat Since the Beginning of the War

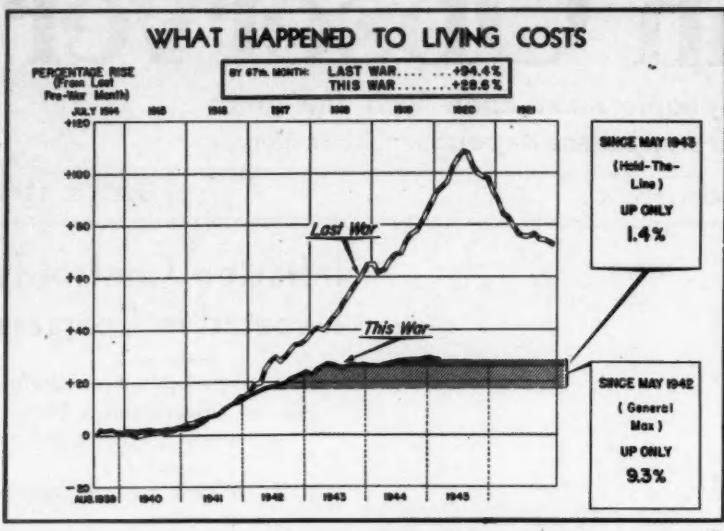
Recent events in Washington have once again whipped up the perennial, simmering debate about the federal government's anti-inflation measures. The fight in Congress over renewal of the price control act has called into question the wisdom of retaining price ceilings and has produced sharp controversy over the operations of the Office of Price Administration. And America's entry into the reconversion period has produced insistent demands for a more flexible pricing policy and a more liberal wage policy which, it is said, would encourage a rapid return to full-scale civilian production. It is clearly apparent that the government's campaign to hold prices and wages in line is facing its most severe test since the beginning of the war.

Last March Congress began considering extension of the Price Control and Stabilization Law, which was due to expire June 30. The Senate has approved renewal for one year, with important reservations. As this is written, the House of Representatives is winding up a vigorous debate in which still further restrictions have been suggested. It seems certain that price control will not be abolished at this time, but so violent have been the attacks on OPA and so strong have been the demands for limitations on its authority that it is uncertain what role this agency will be able to play in the future. To evaluate this situation, let us review the problem of inflation as the nation has faced it throughout the war.

#### Meaning of Inflation

Reduced to its simplest terms, inflation is a condition in which prices rise because the amount of money in circulation is greater than the volume of goods which can be bought with that money. It is a condition which always exists in a nation at war; expanding production and employment bring higher profits and wages, and therefore increased purchasing power, while the extremely heavy demands of the war machine greatly reduce the amount of goods available to civilians. The extent to which prices and wages chase each other upwards in an accelerating spiral under such conditions depends on the degree to which outside controls are applied. The United States has employed wage controls, taxes, and war bond campaigns to hold down purchasing power, and has used rationing and price ceilings to keep prices from getting out of hand. These

(Concluded on page 2)



The rise of prices during World Wars I and II

## Inflation Control

artificial measures have greatly slowed the inflation spiral.

The decision to apply the brakes to inflation was based, in part at least, on past experience. Inflation depreciated the value of the dollar to 33 cents in the Revolutionary War, to 44 cents in the Civil War, and to 40 cents in World War I. In the case of the last war that meant a price increase of about 150 per cent, and an unnecessary addition of \$13 billion to the cost of the war. The resultant collapse of prices, wages, employment, and business brought tragic depression in the postwar period.

From the very beginning the drive for inflation control in this war has originated with the Administration, with Congress reluctantly following, and the present congressional attacks on OPA are no novelty. Four months before Pearl Harbor, President Roosevelt asked for legislation to hold down price increases already on the way. Congress waited half a year to act, but finally on January 30, 1942, the Price Control Act went into effect. The first great landmark under this act came the following April, when OPA issued the General Maximum Price Regulation, setting ceilings over a majority of wholesale and retail prices.

### Farm Price Ceilings

In the original law, Congress kept farm prices high by requiring that farm price ceilings be maintained at a level which averaged 116 per cent of parity prices. The Administration found this provision unacceptable, and in April 1942 asked that it be repealed. Congress refused. Then in a historic Labor Day message the President laid down an ultimatum: if Congress did not act by October 1, he would take the desired action himself on his authority as commander-in-chief. At the same time he promised to stabilize wages if farm prices were stabilized. At the last moment Congress did act, and the resulting Stabilization Law reduced farm-price ceilings to 100 per cent of parity (or the highest price between January 1-September 1, 1942, which ever is higher).

This, however, did not end the congressional revolt. In May 1943 the OPA began a stringent "hold-the-line" campaign to strengthen price control. It announced a program of subsidy payments which would make possible the reduction of retail prices of butter, meats, and coffee without jeopardizing

producers' profits. In June Congress passed legislation designed to kill the rollbacks and to forbid new subsidies. The OPA program was saved only by President Roosevelt's veto of the legislation, and by the failure of Congress to override the veto. Again in 1944 an antisubsidy bill was passed and vetoed, and again the veto was sustained.

The current attack on OPA, spearheaded by business groups, has taken the line that administration of the price control law has been inept, that price ceilings have contributed to shortages, and that it is now time to relax controls.

Republican Senator Hickenlooper of Iowa declares that OPA's controls are strangling business. Other opponents assert that OPA has been guilty of bungling and inefficiency, and that its maladministration has resulted in an extremely widespread black market. Representative Martin, Republican of Massachusetts, says that OPA "right from the beginning has been run by crackpot theorists," and Representative Lemke, Republican of North Dakota, terms OPA "an octopus sucking the lifeblood out of the American people."

It has been asserted in debate that many of OPA's price ceilings have caused shortages; that clothing manufacturers refuse to manufacture low-priced clothing because they are not satisfied with the profit OPA will allow, and that stock raisers do not receive adequate profit to justify increasing meat production. Finally, it is main-



OPA Chief Chester Bowles

tained that in order to aid reconversion, producers should be allowed a profit on all items instead of being limited to over-all profits, and that in general profits should be high enough to encourage a quick shift to peacetime production.

These criticisms became concrete in the form of several proposed amendments to the price control law. One, sponsored by Republican Senator Wherry of Nebraska, provides that ceiling prices of farm products must be high enough to cover all costs and overhead expenses, including a return on capital and an allowance for the labor of the producer and his family, plus a reasonable profit—for the least efficient producers. Another amendment would strip OPA of all control over food pricing, giving that power to the secretary of agriculture. In addition, many congressmen would like to confine extensions of OPA to six months at a time.

In reply, OPA's defenders admit that mistakes have been made, but point out that the agency has had one of the most thankless, most difficult, and most complicated tasks of the war. OPA has never been granted adequate funds by Congress for enforcement, and it has been under constant pressure and interference from private interest groups who want their own prices raised, and from congressmen who support those interest groups.

### Overall Record

More than that, say the friends of OPA, the overall record in spite of handicaps has been very good, and price control has saved billions of dollars for the American public and its government. Since the General Maximum Price Regulation of May 1942 the cost of living, as measured by the Bureau of Labor Statistics, has risen only 9.3 per cent; since the hold-the-line order of May 1943 the increase has been only 1.4 per cent. During the first 67 months of the war the cost of living rose less than 29 per cent, as compared to a 94 per cent increase during the comparable period during and after World War I. Without price control, it is estimated that the cost of the war would be at least \$80 billion greater than it is. Ralph Robey, business commentator for *Newsweek*, who is usually an OPA critic, goes so far as to say, "OPA has done a good job in holding down house rents and in stabilizing the prices of basic commodities."

As evidence that business is not ruined by price control, it is pointed out that for every 25 businesses that failed in 1929, only one is failing this year. Moreover, business profits, both of manufacturers and merchants, are at an all-time peak, and production in 1943 and 1944 was more than double that of any two pre-war years in the nation's history.

Opposition to the Wherry "cost-plus" amendment has come from the White House, from organized farm groups, and from consumer, educational, religious, and labor organizations. They denounce such plans as devices for undermining the whole price control program, and point out that farm prices are already more than double what they were in 1939. Finally, Price Administrator Bowles points out that, far from being a time for relaxation, the postwar reconversion period is the time when the inflation threat is greatest.

As this clash of views regarding price control has taken place, another major threat to the anti-inflation pro-

gram has been shaping up on the wage front. For many months wage increases have been limited under the "Little Steel Formula" to 15 per cent of the rates existing in January 1941. Now, however, labor leaders are becoming concerned because war-production cutbacks are reducing labor's earning power by eliminating overtime pay. Both the CIO and the AFL argue that high earnings and high purchasing power must be maintained so as to provide markets for reconverting industry and prevent a serious deflation and depression. They urge a modification of the Little Steel Formula to permit a 20 per cent increase of basic hourly wages during the reconversion period.

So far the White House has frowned officially upon such suggestions, although admitting that studies are being made regarding future changes. However, it is generally believed in Washington that during the coming weeks this pressure for higher wages will grow and will finally be met with concessions.

Aside from the arguments about whether OPA is doing its job properly or whether certain wage inequities should be adjusted, one basic fact is recognized by most observers: inflation remains a genuine threat to the American nation and the experience of history is that the threat becomes worse during postwar periods. Evidences of inflationary pressure are on every hand. A speculative boom in prices of farm land, city real estate,



It might have cost more

and securities is causing much worry in Washington. This year individuals will have—after taxes—at least \$35 billions of current income they can't spend, and total individual savings by the end of the year will run close to \$120 billion. This is potential dynamite, and if released from controls it could wreck the whole American economy.

It is thus generally concluded—even by most critics of OPA—that some kinds of inflation controls must be maintained at least until Japan is defeated—probably longer. How to maintain these controls until the right time, and then taper off so as to prevent too rapid a deflation is a problem calling for the highest degree of courage and sagacity.

In the meantime, there is urgent need for each citizen to redouble his efforts to make price control effective. OPA has only about 3,000 investigators, and three fourths of its staff is voluntary. It is estimated that over-ceiling prices are found in almost 30 per cent of all food stores—and the only way such black market practices can be stopped effectively is for consumers to refuse to pay illegal prices and to report ceiling violations to their community price panels.

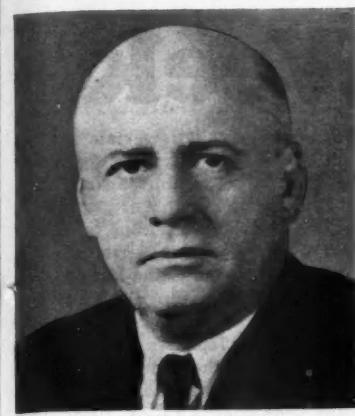
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Sam Rayburn,  
Speaker of the House



Kenneth McKellar,  
Senate president pro tempore



Edward R. Stettinius,  
Secretary of State

## The Presidential Succession

EVER since the death of President Roosevelt, serious thought has been given, in Congress and throughout the nation, to the problem of the presidential succession. With the accession of Mr. Truman to the presidency, the nation found itself once more (as on six previous occasions) without a vice-president. Under existing law, the next in line for the presidency is the secretary of state, to be followed by the other cabinet members in the order of the creation of their offices.

A little more than a month after Mr. Roosevelt's death, a bill was introduced in Congress by Representative A. S. M. Monroney of Oklahoma providing for a change in the succession law. President Truman has himself given strong endorsement to a plan which follows the principal outlines of the Monroney bill. The matter will be thoroughly debated in Congress in the coming weeks.

Both the President's recommendation and the Monroney proposal would alter the succession so that in the event of the death, removal, or disability of a vice-president who had become president, the office of president would be filled by the speaker of the House of Representatives. In case the speaker did not qualify under the Constitution (for example, if he were not native born), the office would be filled by the president pro tempore of the Senate. The succession would then follow through the members of the cabinet, beginning with the secretary of state, according to the present arrangement.

Mr. Truman also recommended that Congress enact legislation to provide that whoever succeeded to the presidency should not be allowed to hold office "any longer than until the next congressional election or until a special election" could be held to fill the offices of president and vice-president. "The individuals elected at such general or special election should then serve only to fill the unexpired terms of president and vice-president," said Mr. Truman. "In this way there would be no interference with the normal four-year interval of general elections."

There have been many students of government who have long recommended that the presidential succession procedure now in effect be altered. While there has never been a period in our history where both the president and the vice-president have died in office, there have been seven occasions when the vice-president has been elevated to the presidency as a result of death. In many cases, including that of President Truman, the suc-

cession took place early in the presidential term and the country has been without a vice-president for the major part of the administration.

While no one is anticipating the death or removal of a vice-president who has succeeded to the presidency, all recognize that the president of the United States these days must of necessity subject himself to many risks. There is the hazard of travel to distant points. In addition, the burdens of the office have become so great as to threaten the health of any individual, however vigorous he may be.

Those who are advocating a change in the succession law, similar to that recommended by President Truman or embodied in the Monroney bill contend that the present procedure is undemocratic. They point out that the secretary of state and other cabinet members are appointive rather than elective officials. It would be unjust, it is argued, to have in the presidential office a man who had not been elected by the people. That is why they would have the succession pass to the speaker of the House and the president pro tempore of the Senate before going to the cabinet members. President Truman clearly set forth the reasoning behind this position.

Each of these cabinet members is appointed by the President with the advice and consent of the Senate. In effect, therefore, by reason of the tragic death of the late President, it now lies within

my power to nominate the person who would be my immediate successor in the event of my own death or inability to act. I do not believe that in a democracy this power should rest with the Chief Executive.

In so far as possible, the office of the president should be filled by an elective officer. There is no official in our system of government, besides the president and the vice-president, who has been elected by all the voters of the country. The speaker of the House of Representatives, who is elected in his own district, is also elected to be the presiding officer of the House by a vote of all the representatives of all the people of the country. As a result, I believe that the speaker is the official in the federal government whose selection, next to that of the president and the vice-president, can be most accurately said to stem from the people themselves.

While Mr. Truman will find many members of Congress who support this view, there are others who feel strongly that the proposed changes in the succession law would not be an ideal situation. One of their principal arguments is this:

While it is generally the case that the speaker of the House of Representatives and the president and vice-president belong to the same political party, there have been times when the speaker has belonged to the opposing party. During the second half of the Hoover administration, for example, the House was controlled by the Democrats and John N. Garner was speaker. The same was true during the last two years of the Wilson administration. Should both the president

and the vice-president have left office, the presidency, under the proposed changes, would then fall into the hands of the opposition party.

There is another argument used by those who oppose change in the present procedure. It is argued that as a general rule the secretary of state is usually better qualified to discharge the duties of president than is the speaker of the House. Opponents point out that, with few exceptions, our secretaries of state have been men of great ability and distinction, whereas most of the speakers of the House have been undistinguished with few qualifications for the presidency. This situation results from the fact that the speaker is chosen largely upon the basis of seniority, which means that, to become speaker, a representative must have served a long time in the House. Usually, he comes from a district in which the parties are unevenly matched. He may thus have been reelected time after time without great effort and perhaps without great ability.

To bolster this argument, it is pointed out that only one speaker of the House has ever been elected to the presidency. He was James K. Polk. Two others, James G. Blaine and Henry Clay, were nominated for the presidency by major parties, but both of them also served as secretary of state. On the other hand, many of our outstanding chief executives had served as secretary of state, including Thomas Jefferson, James Madison, James Monroe, John Quincy Adams, Martin Van Buren. There have been many other secretaries of state of real presidential stature, several of whom have been nominated by one of the major parties.

Whatever merits there may be to the arguments of those who support the present succession law and of those who advocate a change, it is generally agreed that the matter should be settled as soon as possible in order to remove uncertainty. One feature of the Monroney bill which is receiving careful attention is the proposal that a commission be set up to recommend a long-term solution to the problem. This commission would also consider details about the succession itself, including the holding of special presidential elections. These problems are fundamental to democratic government.



Abraham Lincoln was killed early in his second term as President, and Vice President Andrew Johnson succeeded him

# The Story of the Week



General Joseph W. Stilwell (center), recently named head of the U. S. Tenth Army, is shown eating lunch during a flying inspection of the Okinawa battle field.

## Control of Germany

The need for formulating plans immediately for the control of Germany and especially German industry has been emphasized to Congress in the last several days. Senator Harley M. Kilgore has recently returned from a tour of Germany and has flatly stated to his colleagues on the Military Affairs Committee that German industrialists are at work now developing factories in which to produce war material for a future German army.

Kilgore backed up his statement with documentary evidence he unearthed in Germany. He presented to the committee a document containing a report on a meeting held in August 1944 by many of Germany's top flight industrialists. The report showed an admission that the Nazis had lost the war even then, but went on to outline postwar plans for a number of big firms, including Krupp munitions works which has armed Germany for two wars.

Several points which the manufacturers agreed to for the period after the war are:

1. Contact and make alliances with foreign firms, taking care not at arouse any suspicion. Borrow substantial sums from foreign countries as soon as conditions permit.

2. Take the sums of money allocated to industry by the Nazi government and establish a secure postwar fund upon which the government will draw later in order to create a strong German empire after defeat.

3. Establish small research bureaus and technical laboratories independent of existing factories. These will receive and preserve plans and drawings of new and secret weapons which are not to be allowed to fall into the possession of the Allied nations.

Appearing before a subcommittee of the Senate Military Affairs Committee, Bernard Baruch, adviser to wartime Presidents Wilson and Roosevelt, presented a 14-point program for securing "unconditional peace." He headed his list with an appeal to settle definitely and at an early date the question of what is to be done with Germany. Baruch added that agreement on the control of Germany is the cornerstone to Russian-British-United States cooperation in the post-

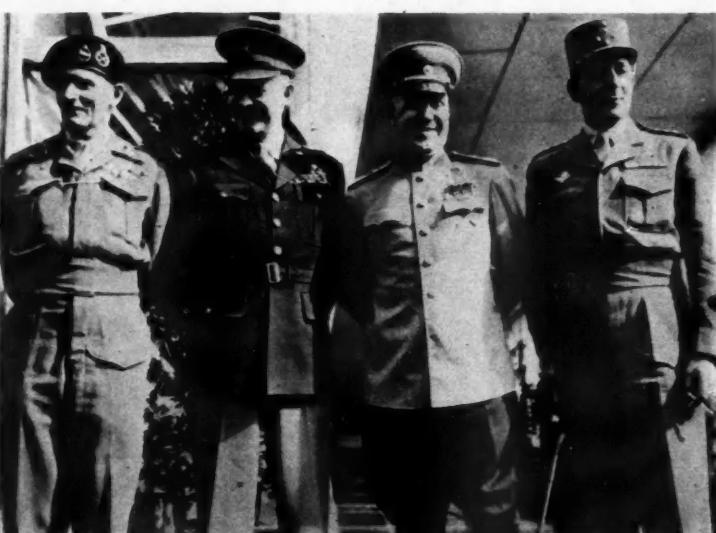
war era. He said that the decision on Germany could be used as a foundation on which to build a comprehensive agreement with Russia on several major problems of the peace in Europe.

In his broad review of international questions facing the United States, Baruch mentioned the need for breaking up for all time Germany's ability to produce war material. This would be accomplished by shifting many factories, destruction of heavy industry, control of exports and imports, and uprooting German business assets and organizations in foreign countries.

## Charter Support

"Will you vote for United States adherence to the United Nations charter as it now stands, barring unforeseen developments?"

That question was put to some 75 members of the Senate just as the San Francisco Conference came to a close. So emphatic was the favorable response that smooth sailing for the charter seems assured as it goes to the upper house for approval. Fifty-two Senators said "yes," five more said "probably," and although 18 refused to commit themselves not one was willing to express outright opposition.



Here are the generals who are taking a leading part in directing the control of defeated Germany. From the left, they are British Field Marshal Sir Bernard L. Montgomery, General of the Army Dwight D. Eisenhower, Russian Marshal Gregory K. Zhukov, and French General Jean de Lattre de Tassigny.

It is clear, of course, that Senate refusal to accept the charter would blast the entire work of Dumbarton Oaks and San Francisco, for ratification of all the Big Five besides a majority of the other signatory nations is required before an international organization can go into operation. It is also clear that no changes in the charter itself can be made by the Senate unless such changes are approved by all the other Big Five nations and a majority of the smaller powers involved. Despite the tremendous importance, however, which attaches to the Senate's action on the charter, it has been only recently that full support for American participation in a world security organization seemed certain.

Two major reasons are believed behind the Senate's attitude. In the first place, the political errors of Versailles have been avoided. At a time when his relations with Congress were already bad, President Wilson committed the blunder of taking no member of Congress with him to Europe. President Roosevelt, on the other hand, appointed a delegation to San Francisco which included four members of Congress, and of the active members there were four Republicans as compared to three Democrats.

Secondly, most of the reservations which the Senate might have wanted to make are already in the charter, due to the influence of the senators who went to San Francisco. As a result, it is believed that after thorough debate and discussion—which may take some time—the Senate will give decisive and nonpartisan approval to *The United Nations* charter and to our participation in the world security organization.

## "Vinegar Joe"

The recent appointment of General Joseph W. Stilwell as commander of the United States Tenth Army brings this intrepid military leader back to the Far East—the theater of war where he made his reputation and which he knows better than perhaps any other Army man. Leaving the post of commander of the Army Ground Forces, he takes over the Tenth Army just after its mighty victory on Okinawa, and although it is not yet known where his troops

will strike next it is certain that he will be one of the leading figures in the final destruction of Japan.

This fact is a source of great satisfaction to most Americans, just as it was a source of keen regret when he was recalled from China last October. A hardened veteran of the fighting in Burma and China, he has had longer experience in Japanese military methods than any other American military leader, and he has an amazingly thorough knowledge of China. It is therefore fitting that his talents should be fully used in combat command.

"Vinegar Joe," as GI's call him because of his sharp tongue, first came into public prominence during the bitter Burma campaign of 1942, in which heavily outnumbered Allied forces suffered defeat. The bloody but vi-



CARMACK IN CHRISTIAN SCIENCE MONITOR

Deal uncompleted

torious campaign since then which rewon all of Burma, reopened the Burma Road, and made possible the establishment of another great supply route to China—the Stilwell Road—is credited largely to his planning and resourcefulness. From Burma he went to China, where he served as U. S. commanding general in the Asiatic theater and Chief of Staff to Generalissimo Chiang Kai-shek until differences with the Chinese leader forced his recall.

Not quite 62, Joe Stilwell has been in military life since his graduation from West Point in 1904. Aside from fighting in France during World War I and teaching for periods in the United States, he has spent most of his career in China and the Philippines. He is intimately acquainted with Chinese language, literature, and art. Patient, honest, hardworking, and intensely democratic, he is very popular with his troops.

## New Polish Regime

The formation of the new Polish government in Moscow marks the probable end of one of the bitterest inter-Allied controversies of the war. For the reconstituted Polish regime meets the qualifications set down in the Yalta agreement on the governments of liberated countries. Besides 16 representatives of the Russian-sponsored Warsaw provisional government, the new cabinet includes five Polish leaders not previously associated with the Warsaw group.

Among them are Stanislaw Mikolajczyk, former Premier of the London government; Jan Stanczyk, Polish Socialist leader; Mieczyslaw Thugot, son of a Peasant Party official; Ceslaw

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The American Education Se shorter than Managing Ed Kenneth F.

Wycek, chairman of the Teacher's Union in prewar Poland; and Wladislaw Wiernik, a prominent member of the Peasant Party. All other democratic Polish leaders are also being invited back to Poland to aid in the country's political reconstruction. Still tabooed, however, are members of the present London government and any Polish leaders associated with prewar dictatorships.

The new government, which is headed by Premier Edward Osobka-Morawski, anticipates speedy recognition from the major Allies. It has already petitioned the United Nations for permission to drop its provisional character and take over as a fully accredited government.

### Belgian Crisis

As we go to press, Belgium is still deadlocked over the issue of King Leopold's return to the throne he abandoned in 1940. Leopold's refusal to abdicate has the support of the Flemish population of southern Belgium and also of the Catholic and Conservative Parties. It is bitterly denounced by the French-speaking Walloons of northern Belgium and by the Liberal, Socialist, and Communist Parties.

The controversy has little to do with the status of the monarchy itself. Belgium's kings have served to stabilize the nation's political life, holding together the Walloons of the north and the Flemish of the south. Because of this, few people wish to see the monarchical system overthrown. The clamor for Leopold's abdication has its source in the King's war record.

Leopold is condemned on several counts. First of all, there is his refusal to follow his ministers into exile when German troops overran Belgium in 1940. Permitting himself to become a German prisoner, Leopold remained in occupied Europe throughout the war period. It is charged that he furthered the Nazi cause during his imprisonment. He is also criticized for pro-German attitudes before the war.

Anti-Leopold forces, currently protesting the King's return through



Packages containing fragile articles were dropped by parachute in a recent demonstration of aerial delivery at the Washington National Airport. The airline hostess at the right, examining some dishes which were dropped, finds that they came down safely.

strikes and demonstrations, want to see royal authority in the hands of Prince Charles, who has served as Regent in Leopold's absence. The plan is for him to reign until Prince Baudouin, the 15-year-old Crown Prince, comes of age.

Leopold, who asserts that he adopted his wartime policies in the interest of the Belgian people, is currently trying to form a new government to replace that of Premier Van Acker, which resigned upon his return. Former Premier Van Zeeland and General Ganshof Van Den Meersch, a resistance leader now engaged in prosecuting Belgian collaborationists, have been mentioned as possible cabinet heads if the King retains his title.

### Disputed Teschen

At the Paris Peace Conference in 1918 there arose the question of Teschen, a small, obscure, but hotly disputed area lying between Poland and Czechoslovakia near where the two nations touch on German Silesia. At that time few people knew anything about Teschen—Lloyd George, in fact, admitted that he had no idea where it was and asked for a map to locate it. Today Teschen is still unknown to most people, but it remains one of the

sore spots of Europe and if Poland and Czechoslovakia do not amicably settle their current differences over the area, it may once again be "one of the brooks which make the flowing river" of war.

As long ago as the ninth century the Duchy of Teschen was a source of conflict between Bohemian and Polish princes, partly because of its mixed population and partly because of the rich mineral wealth concentrated in its 850 square miles. From the seventeenth century until after the last war it was part of Austria, but both the Poles and the Czechs continued their claims and the dispute broke open with the end of the war. At first both groups agreed to settle the matter peacefully; then Poland jumped the gun in January 1919 by electing members of parliament from Teschen.

Nothing came of proposals that the dispute should be settled by plebiscites. Finally in July 1920 the Council of Ambassadors made an award which gave the greater part of the area to Czechoslovakia. Most of the industrial facilities went to Poland, and most of the mines to Czechoslovakia. Neither side was satisfied; Poland later claimed that the settlement had been forced upon her while she was preoccupied with the Russo-Polish War of 1920. The fact that thousands of Poles were included in Czechoslovakia's slice rankled Poland further.

The present crisis over Teschen dates back to October 2, 1938, just after the infamous Munich conference, when Poland seized the coveted area. The Czechoslovak government now wants its territory back, and has assumed that the Allies would see that it was restored. The Polish Lublin government, on the other hand, publicly announced weeks ago that it intended to administer Teschen (and other parts of Czechoslovakia where Poles predominate). Some hope for settlement is seen in Russia's invitation to both parties to negotiate their territorial differences in Moscow.

### Italy's New Cabinet

The formation of a new cabinet under Premier Ferruccio Parri promises to be a turning point in the troubled history of liberated Italy. While the new government, like the Bonomi government which preceded it, includes representatives of the six major political parties, it differs from the previous regime in its emphasis on resistance leaders and objectives.

Premier Parri was himself an active



HARRIS AND Ewing

fighter in the resistance movement. The Action Party which he represents is a liberal group, less radical than the Socialist and Communist parties but considerably to the left of the other leading parties. It is firmly opposed to the continuation of the monarchy in Italy and stands for a thoroughgoing purge of Fascist elements throughout the nation.

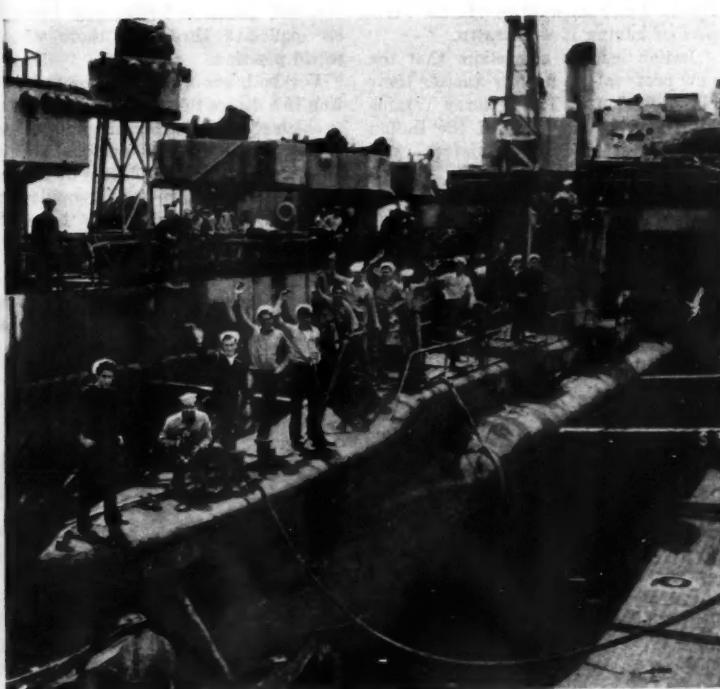
The new government's first efforts are being directed toward two things—solving the country's economic problems and bringing the purge of Fascists within a framework of justice and legality. Premier Parri confronts a particularly difficult situation in northern Italy, where strikes, riots, and lawlessness testify to the people's indignation at high prices, low salaries, and inadequate production. The Parri government has announced that it means to work with Allied authorities in stabilizing the economy.

### NEWS QUIZ

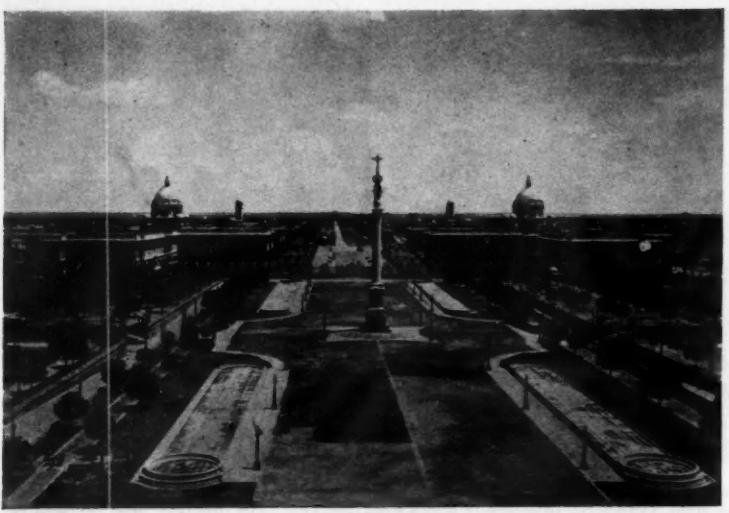
1. Define inflation.
2. Why does inflation always exist in time of war?
3. What devices has the United States used to keep inflation down?
4. What recent developments have made Congress eager to amend the price control law before extending its life?
5. What are the prospects for a revision of the Little Steel Formula?
6. What relation have British-Indian differences had to the Far Eastern war effort?
7. How does the current British plan for India differ from the Cripps proposals of 1942?
8. Why did Indian nationalists oppose the Cripps plan?
9. What reservations do they have about the new proposals?
10. What two guarantees does Great Britain insist be a part of the Indian constitution?
11. What is the present plan for presidential succession?
12. Name the changes which President Truman has suggested for this law.
13. Cite arguments for and against the President's proposals.

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This medium-sized Japanese supply submarine, shown as it arrived in San Francisco recently, is to be used in war bond campaigns across the nation.



Government buildings in New Delhi

ACME

## New Offer to India

(Concluded from page 1)

overnmental setup provided by the Constitution of 1935. This meant the control of India's military forces and the mobilization of her material resources as well.

The Cripps proposals were widely hailed as India's opportunity to secure the independence she had so long sought. They were definite, which previous British promises of independence had not been, and they were hedged in by few restrictions. Many people felt that Britain had gone as far as she could for India.

But Indian nationalist leaders saw the situation in a different light. For most of them, the sorest point was Britain's insistence on rigid wartime control of India. A few, made cynical by the long struggle against British rule, claimed to be indifferent to the Japanese threat, and held that, if complete freedom were denied, it made no difference which foreign power dominated them. The most important Indian leaders, however, fully recognized the danger of Japanese conquest. More than that, they regarded the war against Japan as a struggle for freedom on the part of all Asiatic peoples. But they felt that the Indians must participate in it on their own.

### Other Objections

There were also other objections. Many Indian leaders considered the whole plan a clever British device for postponing their final emergence as a self-governing people. They saw particular danger in the provision for the withdrawal of states not wishing to enter the new government.

These, they felt, would aggravate differences between the people of the native states and those of the British provinces. The British provinces, governed, at least in part, by elected legislatures, would represent a very different set of interests than the native states when representatives of both had gathered at a constitutional convention. Under British rule, the native princes have governed their states with very little outside interference. Unchecked by popularly elected legislatures, they have enjoyed wealth and power, complying with Britain's requirements mainly at the expense of the people. To simplify her own administrative problems, Britain has always dealt gently with the native princes, asking only that they keep

their people under careful control.

Thus, while the princes favor independence in that they would like to be free of all control of their activities, they cherish the privileges Britain has accorded them. Representatives of their states at the constitutional convention would be spokesmen for the princes rather than representatives of their people and would undoubtedly resist attempts to transfer any of their authority to a new national government or even to provide for democratization within their states.

Although the people of the British provinces far outnumber those of the native states and could easily outvote them at the constitutional convention, the provision that dissatisfied states need not participate in the new government would mean that the native states might effectively prevent the establishment of an independent Indian government. Either the new constitution would have to leave so many loopholes for their privileges as to become an ineffectual instrument or the new government would have to get along without them. With the native states still under British control, India would not be wholly free. Scattered as they are, in all parts of the great subcontinent, the native states would shelter a network of British authority blanketing India.

Another objection centered on the requirement that the rights of religious and racial minorities be protected. This many leaders of the Congress Party considered a device for exploiting their differences with the Moslem League. Although the Congress Party includes a majority of Hindus, it also enjoys the support of many Moslems, as was evidenced by its electoral victory in eight of the 11 British provinces just before the war. But Britain has always looked upon the Moslem League as the sole champion of Moslem rights. Non-Moslem Indian nationalists look upon a united India as one of the prerequisites of the independent nationhood they desire and hence oppose the Moslem League's demand for a separate union of Moslem states. Since the Moslem League leaders have always held out for *pakistan*, or separate nationhood, it is unlikely that the two groups could quickly resolve their differences to the satisfaction of the British.

While these objections to the Cripps plan still stand, the additional concessions included in Britain's new proposals to India brighten the chances that the Simla conference will end in agreement. Along with the independence offer outlined in 1942, the new plan provides for a revision of the Viceroy's Executive Council—the Indian equivalent of a cabinet.

The reconstituted Council would be all-Indian except for the Viceroy himself and the minister of war. Although members of the Council would still be chosen by the Viceroy, they would be selected from a panel of names submitted by a conference of Indian leaders representing all parties.

### More Self-Rule

This would advance Indian self-rule on several counts. It would, for the first time, give the Indians control of their own finances and their own foreign affairs. Lack of authority in the latter field has always been a particularly sore point with the Indians, who consider it humiliating to have their country represented abroad by the delegates of a foreign power. Under the new arrangement, fully accredited Indian diplomats would speak for India in the world's capitals. The suggested change would also enhance the representative character of native participation in the government of India by requiring the Viceroy to make his selections of Executive Council members from among popularly recognized Indian leaders. Previously, the Indians selected for government posts were more often chosen for loyalty to British interests than for popularity with the Indian people.

While India's nationalist leaders recognize these advantages, they retain numerous qualms about the new proposals. The target of the most serious criticism is the provision that Hindus and Moslems shall be represented equally on the Viceroy's Executive Council. Since there are more than twice as many Hindus as Moslems in India, the Hindus and their chief political organ, the Congress Party, object violently to this provision. The Moslems, ever fearful of Hindu domination, object to the prospect of having it withdrawn.

Indian leaders also claim that the new proposals in no way answer their old objections. The Viceroy retains his power to veto acts of the Indian legislature. Indian ministers still come to and hold their posts at British pleasure, and the war effort still remains in British hands.

Nevertheless, the political climate

surrounding Anglo-Indian relations has changed since Sir Stafford Cripps returned to London in 1942, bringing defiant refusals from the Indian leaders to whom he had submitted his proposals. And it has changed in ways which augur well for a compromise this time.

The most significant factor is the state of the war. Although Britain needs India's cooperation in the coming battles against Japan, she no longer needs it desperately. In 1942, when the Axis was everywhere in the ascendancy, India's bargaining position was infinitely better than it is now. Her leaders could hold out against British demands in the hope that still graver threats from Japan would force Britain to grant anything they asked.

Now that Germany is beaten and the total might of the United Nations is being turned against Japan, Britain is once more strong enough to enforce her will on India if no agreement can be reached. This, of course, argues for Indian acceptance of her terms while there is still a substantial basis for bargaining.

Another factor is the effect of three years' imprisonment on such important leaders as Jawaharlal Nehru, Congress Party Secretary Acharya Kripalani, and Dr. Rajendra Prasad. (Mohandas K. Gandhi, "spiritual leader" of the Indian nationalists, was released from prison after a little more than two years.) These men, prime movers of the drive for Indian independence, have lost touch with their followers to some extent and do not feel able to consolidate resistance behind a further refusal of British offers. They are further inclined to compromise in the hope that the more than 1,200 nationalist prisoners still held by the British may be released.

Britain is also eager to see a peaceful settlement of the Indian controversy. While the acute need for Indian cooperation in the war effort has passed, British leaders recognize that Indian aid would be of great value in the part of the war which remains to be fought. They are also conscious of the fact that unless a compromise is reached, postwar India may become an explosive threat to their whole world position.

For both groups, a further motivation is a desire to turn to India's other problems. Only after the big questions involving India's national status are settled can the problems of industrialization, health, and population pressure be attacked with hope of success.



India's famines frequently are so severe that thousands of people die in the streets

# America Moves to Replenish Forests

THE needs of an all-out war have taken a heavy toll of America's forest reserves, as of numerous other raw materials. Wood and wood products have been an integral part of the great amount of equipment demanded by an Army and Navy fighting a global war. Millions of board feet of lumber have gone into the construction of ocean-going ships, airplanes, gliders, crates, and special types of paper used in overseas shipping. Wood derivatives go to make up paint and other preservatives needed to keep fighting equipment serviceable. Hundreds and thousands of feet of lumber have been sent overseas for the building of docks, barracks, and other necessary installations. All in all, the Army and Navy have leaned heavily in this war on the products of American forests, and have consumed in a single year more lumber than was used by our armed forces during the last war.

Strangely enough, the war years with their drain on forests may some day be remembered as a turning point in forest conservation in the United States. The wartime increase in the use of wood has given new impetus to a movement which was started some years ago—a plan for scientific reforestation in order to insure permanent woodlands in the United States.

Lumbermen are realizing as they never have before that concrete and exhaustive plans must be made to take care of our existing trees and to replace those which are cut or otherwise lost. In many cases, conservation measures are being taken by the private owners of forest land, whether small farmer or large scale lumberman. In addition to these plans evolved privately, the United States Forest Service, a branch of the Department of Agriculture which has for years wrestled with the problem of conserving wood lands, is ready with advice to private owners and with policies for government-owned forests.

Several years ago the Forest Service made a survey to determine how long our existing supply of wood will last. It found that the woods of the northwest, from which one-half of our lumber comes, would sustain 72 years of cutting at the same rate as that of 1938. These findings also revealed that the loss of trees by cutting, fire, insects, and disease was greater than new growth.

These facts are startling to us today, but 50 years ago the loss of a forest area was not considered serious. Instead, in many cases, it was thought of as a blessing, for once the trees were gone, there was more land ready for the plow. This argument was clung to even after it had been proved that burned out forest land was good only for more forests, and that farm crops would not thrive on it. The adage often voiced by lumbermen during America's westward expansion—"Cut out and get out; there's more forest land in the West"—carried over to a surprisingly late date. In 1910, congressional consideration of a bill to provide forest fire control was sprinkled with discussions of whether it was profitable to preserve forests on land which might be used for farming.

Lumbermen who scoffed then at the idea of governmental supervision and protection of their forests learned a lesson the hard way later that same year, for in 1910 forest fires took a heavy toll of some of America's finest

lumber. A little later, forest owners had done an about face and instead of opposing protection, they were demanding it. It was in this period—the first decade of the 1900's—that several of the western states passed fire control legislation, providing regular fire patrol of all forest land, whether privately or publicly owned.

While this step was encouraging, it embraced only one side of the several-sided forest conservation idea. Even though sincere and, on the whole, effective action was taken to keep occurrence and destruction of fires at a low level, lumbermen were stripping the

western timber-lands. It is accomplished by leaving carefully selected trees in cut-over areas. These trees—called seed trees—bring about a natural reseeding of the surrounding land. Both privately owned and publicly owned forest lands are being set aside in increasing amounts for re-stocking by seed trees. In Oregon, for example, better than 300,000 acres of state-owned land—some of which was swept by the Tillamook fire—are being reseeded in this manner. A private lumber company has set aside five tree farms, one of which covers 130,000 acres within the state of Washington.

Considered waste has been put to work to produce many of the wood products which have come to the fore during the war years. Another source of extravagant waste has been the methods of logging. About one-third of a tree is left standing in the forest, and another third is lost to sawdust and shavings in the sawmill. In the light of dwindling reserves, it is certain that loggers will strive for less wasteful methods of harvesting tree crops, and that lumbermen will think twice before tossing aside lumber as worthless. This is an important phase of forest conservation.



The United States has made heavy inroads on its forest resources during the war

U. S. FOREST SERVICE

forests ruthlessly. With trees being cut faster than they could be replaced, the bottom of the lumber reserve barrel loomed into sight.

Lumbermen began to band together to size up the situation and outline steps which could be taken in order to stave off forest depletion. Objectives were outlined, and the costs of carrying them out were estimated. Gradually lumbermen became convinced that protection and conservation steps, all of which cost them money, were in the long run an economy and a service to the nation. This evolution of thinking in regard to our nation's forests has come about largely since 1933. Of course, it did not begin then, for the Forest Service, several presidents, and various groups of private citizens had for some years pointed to the decline of the forests. But it was in 1933 that the Tillamook fire—the most destructive of all forest fires in the United States—laid waste to 250,000 acres of prime Douglas fir within a week's time. It was this fire which kindled a new interest on the part of lumbermen to do something about our diminishing forest reserves.

One positive step in this direction since 1933 is that of "tree farming." This is a method of reforestation which is taking hold throughout the north-

This is, of course, a very long-range project, because trees require a long growing time before they are ready for a profitable market. Lumbermen think of their crops in terms of years and decades, rather than seasons. In ten years an acre on a tree farm will produce between 10,000 and 20,000 saplings. This figure will in time be reduced because of loss to disease, severe weather, fire, and some supervised cutting. In 90 years time, there will be 150 to 300 mature trees on each reseeded acre.

Another method for reforestation is replanting cut-over land by hand. For a while this was considered the one hope of replenishing depleted forest land, but now the tree farm idea is rapidly overtaking the older scheme of reforestation by hand. The reason for this is that replanting by hand is a very tedious job and labor costs are almost prohibitive. In addition, forests have suffered since the war began from a lack of skilled manpower. So in the northwest, in Wisconsin, Mississippi, Alabama, and Arkansas, lumbermen are using the tree farm to restock their forest land, rather than planting it by hand.

Wartime demands have taught lumbermen a lesson in utilization of the forests. Lumber which once was con-

Another side of forest conservation is fire control, and this is slated for modernization after the war. New techniques of patrol and fire fighting have passed the experimental stage, and are ready to be put into operation. For example, foresters and chemicals have been parachuted to the scene of a fire with success. Increased use of the airplane in fire patrol work has been found very beneficial.

Together, reforestation, fire control, and maximum use of each tree make up a program which many people think gives us relative assurance of perpetual forests in the United States. The Forest Service, however, would add several other steps to protect our woodlands. It would increase federal and state ownership of forest land which private individuals do not find profitable to operate. It would provide government help to private lumbermen in the form of long-term loans at a low rate of interest. Also proposed is public regulation of the cutting of all forests—public and private. On this third proposal, private owners bitterly oppose the Forest Service.

The future of the forests is not entirely dark. With a realistic conservation and reforestation plan we can expect to have wood and wood products for many years to come.

# Seeking Postwar Industrial Peace

DURING the past months we have read and talked a great deal about peaceful settlement of disputes between nations. Now a related question is being asked in the United States. What kind of legislation will serve best to enable peaceful settlement of disputes in this country between labor and management in order to insure against industrial strife after the war?

Widespread discussion of this question came as the result of the presentation of a comprehensive labor relations bill in the United States Senate. Sponsors of the proposed measure were three of the four men who had introduced the resolution which first committed the Senate to support an international organization for peace—Joseph H. Ball, Minnesota Republican; Harold H. Burton, Ohio Republican, and Carl Hatch, Democrat from New Mexico.

Describing their proposal as a bill designed to provide better machinery for the settlement of management-labor disputes and insure industrial progress and production during the postwar period, the senators invited constructive criticism.

The relationship between industrial peace in this country and world peace was stressed by the sponsors. They pointed to the influence which our industrial power gives us and the unsettling effect which would be felt throughout the world were our production and means of distribution to be seriously disturbed. Not only would we be unable to produce goods needed by other nations, but the purchasing power of our vast number of workers (now estimated at 39,000,000 excepting agricultural laborers) would diminish and further disrupt our economy.

The war years have brought relative peace in the field of industrial relations which formerly had been the scene of constant strife. According to statistics compiled by the United States Department of Labor, strikes and lockouts have wasted less than one-tenth of one per cent of the nation's working time since 1941. But with the war barely over in Europe and the Pacific war in full swing, an increase in the number of strikes and walkouts has already begun.

This increase does not come as a surprise to authorities on industry and labor. With thousands of men and women returning to civilian jobs as the armed services begin the process of partial demobilization, the security which members of the labor force have enjoyed during the period of full employment is sure to be undermined to some extent. The struggle for supremacy between rival labor groups like the Congress of Industrial Organizations and the American Federation of Labor is expected to become even more bitter than it has been in recent years.

When the war in the Pacific is over, a much greater increase in industrial strife is expected, for in all probability the war-time wage controls will be lifted, the no-strike, no-lockout pledge given by the unions and industry for the duration of the war will become inoperative, and free collective bargaining will be restored. There has been a good deal of speculation on the possibility of prolonged and bitter disagreement between management and labor when all these controlling factors have been removed.



The bill to revise the nation's labor laws is the work of Senators Harold Burton of Ohio, Carl Hatch of New Mexico, and Joseph Ball of Minnesota (left to right).

The Federal Industrial Relations Act, as the bill before the Senate is called, would replace or absorb the machinery now in existence for dealing with many labor-management disputes. As it now stands, it would change many of the provisions of the National Labor Relations Act, known as the Wagner Act, which has been in effect for the last ten years. This act applies to industries which directly or indirectly affect interstate commerce, except railroads and air lines which are regulated by special legislation.

At the present time, the National Labor Relations Board is responsible for administering the National Labor Relations Act, which guarantees workers the right to organize into unions of their own choosing and to bargain collectively with their employers through their own representatives. The United States Conciliation Service, part of the Department of Labor, tries to keep peace in industry by helping employers and employees get together and come to an agreement without resorting to strikes or lockouts. When disputes between employers and employees threaten to interfere with war production, and all other means of solving the difficulty have been tried without success, the War Labor Board is the last resort. The

Secretary of Labor certifies cases to it and its decision is final.

The Railway Labor Act, upon which the new bill is modeled, governs industrial relations within the railroads. It was passed in 1926, amended in 1934 and in 1936 was applied to the air lines. It has been generally accepted as a model example of labor legislation. The National Railroad Adjustment Board is the final authority which settles disputes which have not been satisfactorily adjusted between employers and employees.

The new bill is divided into two parts. The first concerns mediation under a Federal Industrial Relations Board. This board would take over all but the judicial functions of the National Labor Relations Board (which would be abolished entirely) as well as replacing the Conciliation Service, and eventually the War Labor Board. The board would consist of five members appointed by the President, the members to receive a \$12,000 yearly salary.

The second part of the bill provides for the creation of a three-man Unfair Labor Practices Tribunal which would rule on all complaints of unfair labor practices, whether by management or union. This group would take over the quasi-judicial functions of the National Labor Relations Board. The members would also be appointed by

the President and their salary would be \$10,000 a year.

Some of the provisions of the bill which are likely to arouse intense controversy are:

1. Disputes affecting public utilities or services, such as distribution of milk, or production of coal or oil, are subject to compulsory arbitration.

2. Strikes are prohibited for all grievance disputes arising out of differing interpretations of labor-management contracts, which are to be subject to compulsory arbitration.

3. The existing ban against unfair labor practices by employers is supplemented by a similar prohibition of unfair labor practices by employees.

4. The present provision which makes a closed shop legal if the majority of a union favors it is modified to provide that the union must represent 75 per cent of the employees involved, that the closed shop must be ratified by at least 60 per cent of the employees involved, that the union must admit all qualified persons to membership, and must not deprive any member of membership unless written charges have been preferred against him and a fair hearing has been held.

5. The broad application of the National Labor Relations Act, which includes industries "indirectly" affecting interstate commerce, is narrowed to cover only employees engaged in interstate commerce.

6. The Federal Board is directed to survey the possible need for legislation to make union control more democratic.

In presenting the bill Senator Hatch declared that the bill had been prepared without reference to the special interests of either labor or management:

"I warn the extreme partisans of all economic groups that none will be satisfied with this bill. It does not offer either to employers or to employees any aid in advancing purely selfish interests at the expense of the other party or at public cost."

Both the CIO and the AFL leaders came out against the bill immediately. They feel that they stand to lose certain guarantees of privileges or rights which they fought long and hard to obtain. They complained that in the 18 months during which the bill was in preparation no prominent labor spokesman was consulted. They objected to the provisions for compulsory arbitration as a restriction upon the worker's freedom. They charged that the right of contract would be seriously impaired, and that the bill would make for government regimentation of labor and industry and undermine free collective bargaining.

Judging from newspapers commenting editorially, the bill appeared to be approved in the main by management. In the past most labor legislation has been designed to protect labor from powerful owner-management interests. Recently there has been increasing speculation as to whether organized labor itself has not become a monopoly in some fields quite as subject to the need for regulation in the public interest as was industry in the past. If it can be proved that this bill protects the public from selfish and aggressive moves on the part of either labor or management, it is likely to receive strong support from nonpartisan members of the Congress.



There is a sharp difference of opinion as to whether the proposed revision of labor laws would help or hurt the nation's working men.

